

RD AN No. 4148 (1944-N)
February 15, 2006

TO: State Directors
Rural Development

FROM: Russell T. Davis *(Signed by Russell T. Davis)*
Administrator
Housing and Community Facilities Programs

SUBJECT: Clarification of Issues Within the Housing Preservation Grant Program

Purpose/Intended Outcome:

The purpose of this Administrative Notice (AN) is to provide clarification of servicing issues within the Housing Preservation Grant (HPG) program.

Comparison With Previous AN:

This AN replaces the RD AN No. 4055 (1944-N) which will expire on March 31, 2006.

Implementation Responsibilities:

The following information is furnished to clarify matters in operating the HPG program.

Recipient Files:

RD Instruction 1944-N, Section 1944.661 and Section 1944.671 lists the items that the HPG program grantees are to maintain in a filing system for the HPG program. The HPG filing materials should include, but are not limited to: a) photocopies of any instrument that serves as evidence for income eligibility and for proper ownership when using marketable title, divided or undivided property interests, leases, life estates, land assignments, etc.; b) the names, racial backgrounds and dates of contact for leaders of organizations involved in community outreach activities; and c) copies of all advertising in local media, such as, newspapers, while including name of the media used and the percentage of its patronage by race/national origin.

EXPIRATION DATE:
February 28, 2007

FILING INSTRUCTIONS:
Preceding RD Instruction 1944-N

Inspection of Work:

RD Instruction 1944-N, Section 1944.665, states that all repair projects must be completed and inspected by a qualified disinterested third party. A qualified disinterested third party includes a local building or code enforcement official or qualified contract or fee inspectors. Repairs are also to be completed as stated in the construction contract. Only work described in the repair list and contract should be provided and ALL work to be completed should appear in both the description of repairs and the contract.

State Directors will designate a staff person to be responsible for the training and day-to-day operation of the HPG program. Rural Development personnel should be trained and knowledgeable of the local building code recognized in accordance with RD Instruction 1924-A, in order to determine when repairs are needed and if repairs have been properly made to a unit or dwelling. In addition, Rural Development personnel who are responsible for the HPG program administration and inspection are required to utilize inspection training tools, i.e., complete the "Multi-Family Housing Inspection Training," as recommended by the Program Support Staff.

Environmental – Office Management and Organization:

RD Instruction 1944-N, Section 1944.672 requires HPG program applicants to submit Form RD 1940-20, "Request for Environmental Information," to be included as documentation materials for the geographical areas proposed to be served. When completing this form, applicants may refer to RD Instruction 1944-N, Exhibit F-1. HPG program applicants must also include as documentation for their files, evidence of consultation with the State Historic Preservation Officer (SHPO) per RD Instruction 1944-N, Exhibit F-2.

In addition, applicants applying for the HPG program must include a process for identifying in their pre-application the dwellings that may receive housing preservation or replacement housing assistance that will require an environmental assessment to be performed instead of a categorical exclusion.

Flood Insurance Information:

All HPG program recipients must complete the Federal Emergency Management Agency's (FEMA) Form 81-93, "Standard Flood Hazard Determination," and include a copy of the form as documentation in the files, and on each property receiving insurance. For further guidance on this matter refer to RD Instruction 426.2.

MFH – Compliance with Fair Housing Act

RD Instruction 1944-N, Section 1944.671 states that the policies contained in subpart E of part 1901 apply to grantees. As recipients of Federal financial assistance, HPG grant program recipients are required to comply with the above mentioned applicable Federal, State and local laws. The above law prohibits discrimination by recipients of Federal financial assistance. In order to comply, recipients are required to adhere to Fair Housing laws by participating in specific outreach activities. These outreach activities include, contacting community organizations and leaders that include minority leaders, advertising in local newspapers and other media throughout the entire service area, and including the nondiscrimination slogan, "This is an Equal Opportunity Program. Discrimination is prohibited by Federal Law," in advertisements, printed materials and application forms for Fair Housing.

Debarment and Suspension

It is required by the RD Instruction 1940-M that all Agency program applicants sign and submit with their pre-application, Form AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters – Primary Covered Transactions," which states that the application has not been debarred or suspended from Government assistance. In addition, all grantees must obtain a signed certification (Form AD-1048, "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions") from all persons or entities that the program recipient does business with (excluding homeowner recipients) as a result of the program. The HPG program grantee is responsible for maintaining Form AD-1048 in the HPG program grantee's files.

Notification Regarding Lead Based Paint

The Environmental Protection Agency pamphlet entitled "Protect Your Family from Lead in Your Home" must be distributed by the grantee to all prospective HPG recipients. For further guidance refer to RD AN No.4124, dated November 21, 2005.

Please review this material carefully. If you have any questions, please contact Bonnie Edwards-Jackson, Multi-Family Housing Processing Division (MFHPD), (202) 690-0759.